

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY

FIFE LAKE, MICHIGAN

MARCH 31, 2004

Auditing Procedures Report

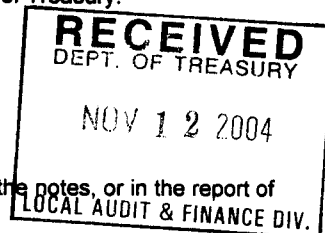
Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Springfield Township	County Kalkaska
Audit Date 3/31/04	Opinion Date 10/14/04	Date Accountant Report Submitted to State: November 3, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.




We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Baird, Cotter & Bishop, P.C.			
Street Address 134 W. Harris Street	City Cadillac	State MI	ZIP 49601
Accountant Signature 		Date 11-3-04	

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

MARCH 31, 2004

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SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
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JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.
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SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

June 16, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board
Springfield Township
Kalkaska County
Fife Lake, Michigan

We have audited the accompanying general-purpose financial statements of Springfield Township, Kalkaska County, Fife Lake, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I. B, the Township's policy is to prepare its general-purpose financial statements on the modified cash basis. This practice differs from accounting principles generally accepted in the United States of America. Also, the Township has adopted the policy of retaining the General Fund and Municipal Street Fund current tax collections in the Current Tax Collection Fund until after April 1 of each year. Monies are then paid over to the General Fund and recognized as property tax revenue. This procedure of deferring property tax revenue recognition is not in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accompanying general-purpose financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion, except for the effect on the financial statements of the item described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of Springfield Township, Kalkaska County, Fife Lake, Michigan as of March 31, 2004, and the cash receipts it received and cash disbursements it paid in the year then ended on the basis of accounting described in Note I.B.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as "Financial Statements of Individual Funds" and "Other Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the examination of the general-purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

ALL FUND TYPES AND ACCOUNT GROUPS

MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>FIDUCIARY</u>	<u>ACCOUNT GROUPS</u>		<u>TOTAL</u>
	<u>GENERAL</u>	<u>SPECIAL</u>	<u>FUND TYPE</u>	<u>GENERAL</u>	<u>GENERAL</u>	<u>(MEMORANDUM</u>
		<u>REVENUE</u>	<u>AGENCY</u>	<u>FIXED</u>	<u>LONG-TERM</u>	<u>ONLY)</u>
				<u>ASSETS</u>	<u>DEBT</u>	
<u>ASSETS AND OTHER DEBITS</u>						
<u>ASSETS</u>						
Cash	\$ 18,815	\$ 116,392	\$ 14,197	\$ 0	\$ 0	\$ 149,404
Commercial Accounts	9,638	0	59,270	0	0	68,908
Money Market Accounts	117,898	0	0	0	0	117,898
Certificates of Deposit	25,580	72,518	0	0	0	98,098
Taxes Receivable	0	0	0	7,000	0	7,000
Land	0	0	0	54,235	0	54,235
Land Improvements	0	0	0	142,890	0	142,890
Buildings	0	0	0	15,901	0	15,901
Machinery and Equipment	0	0	0	17,787	0	17,787
Office Furniture and Equipment						
<u>OTHER DEBITS</u>						
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	0	69,286	69,286
TOTAL ASSETS AND OTHER DEBITS	\$ 171,931	\$ 188,910	\$ 73,467	\$ 237,813	\$ 69,286	\$ 741,407

The accompanying notes are an integral part of these financial statements.

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	GENERAL		GENERAL		
			FIXED ASSETS		LONG-TERM DEBT		
<u>LIABILITIES AND EQUITY</u>							
<u>LIABILITIES</u>							
Deferred Revenue	\$ 25,580	\$ 72,518	\$ 0	\$ 0	\$ 0	\$ 98,098	
Building Contract Payable	0	0	0	0	69,286	69,286	
Total Liabilities	\$ 25,580	\$ 72,518	\$ 0	\$ 0	\$ 69,286	\$ 167,384	
<u>EQUITY</u>							
Investment in General Fixed Assets	\$ 0	\$ 0	\$ 0	\$ 237,813	\$ 0	\$ 237,813	
Balance							
Reserved for Street Improvements	0	58,061	0	0	0	58,061	
Reserved for Fire Protection	0	53,616	0	0	0	53,616	
Reserved for Parks and Recreation	0	4,715	0	0	0	4,715	
Unreserved	146,351	0	73,467	0	0	219,818	
Total Equity	\$ 146,351	\$ 116,392	\$ 73,467	\$ 237,813	\$ 0	\$ 574,023	
TOTAL LIABILITIES AND EQUITY	\$ 171,931	\$ 188,910	\$ 73,467	\$ 237,813	\$ 69,286	\$ 741,407	

The accompanying notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>(MEMORANDUM ONLY)</u>
<u>RECEIPTS</u>			
Taxes	\$ 33,235	\$ 112,276	\$ 145,511
Licenses and Permits	1,200	0	1,200
State Grants	95,595	0	95,595
Interest and Rents	1,360	0	1,360
Other Receipts	6,682	5,310	11,992
Total Receipts	<u>\$ 138,072</u>	<u>\$ 117,586</u>	<u>\$ 255,658</u>
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 16,703	\$ 0	\$ 16,703
General Government			
Supervisor	6,000	0	6,000
Election	1,212	0	1,212
Assessor	14,801	0	14,801
Budget Administrator	3,200	0	3,200
Clerk	18,762	0	18,762
Board of Review	4,075	0	4,075
Treasurer	18,049	0	18,049
Building and Grounds	92,788	0	92,788
Cemetery	4,089	0	4,089
Public Safety	14,318	22,927	37,245
Public Works	11,345	0	11,345
Health and Welfare	281	28,740	29,021
Recreation and Cultural	12,103	7,617	19,720
Other Functions	11,593	0	11,593
Debt Service	11,311	0	11,311
Total Disbursements	<u>\$ 240,630</u>	<u>\$ 59,284</u>	<u>\$ 299,914</u>
Excess of Receipts Over (Under) Disbursements	\$ (102,558)	\$ 58,302	\$ (44,256)

The accompanying notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	78,551	0	78,551
Excess of Receipts and Other Sources Over (Under) Disbursements and Other Uses	\$ (24,007)	\$ 58,302	\$ 34,295
<u>BALANCE</u> - Beginning of Year	170,358	58,090	228,448
<u>BALANCE</u> - End of Year	\$ 146,351	\$ 116,392	\$ 262,743

The accompanying notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES

YEAR ENDED MARCH 31, 2004

	GENERAL FUND			SPECIAL REVENUE FUND TYPES		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
RECEIPTS						
Taxes	\$ 38,310	\$ 33,235	\$ (5,075)	\$ 109,500	\$ 112,276	\$ 2,776
Licenses and Permits	1,200	1,200	0	0	0	0
State Grants	92,000	95,595	3,595	0	0	0
Interest and Rents	3,200	1,360	(1,840)	0	0	0
Other Receipts	5,280	6,682	1,402	4,650	5,310	660
Total Receipts	\$ 139,990	\$ 138,072	\$ (1,918)	\$ 114,150	\$ 117,586	\$ 3,436
DISBURSEMENTS						
Legislative						
Township Board	\$ 17,300	\$ 16,703	\$ 597	\$ 0	\$ 0	\$ 0
General Government						
Supervisor	6,000	6,000	0	0	0	0
Election	1,500	1,212	288	0	0	0
Assessor	15,000	14,801	199	0	0	0
Budget Administrator	3,200	3,200	0	0	0	0
Clerk	20,000	18,762	1,238	0	0	0
Board of Review	4,500	4,075	425	0	0	0

The accompanying notes are an integral part of these financial statements.

	GENERAL FUND			SPECIAL REVENUE FUND TYPES		
			VARIANCE- FAVORABLE			VARIANCE- FAVORABLE
	BUDGET	ACTUAL	(UNFAVORABLE)	BUDGET	ACTUAL	(UNFAVORABLE)
Treasurer	20,500	18,049	2,451	0	0	0
Building and Grounds	93,000	92,788	212	0	0	0
Cemetery	5,000	4,089	911	0	0	0
Public Safety	11,000	14,318	(3,318)	40,000	22,927	17,073
Public Works	20,800	11,345	9,455	56,911	0	56,911
Health and Welfare	281	281	0	28,000	28,740	(740)
Recreation and Cultural	12,600	12,103	497	11,672	7,617	4,055
Other Functions	12,000	11,593	407	0	0	0
Debt Service	12,000	11,311	689	0	0	0
Contingency	17,875	0	17,875	0	0	0
Total Disbursements	\$ 272,556	\$ 240,630	\$ 31,926	\$ 136,583	\$ 59,284	\$ 77,299
Excess of Receipts Over (Under) Disbursements	\$ (132,566)	\$ (102,558)	\$ 30,008	\$ (22,433)	\$ 58,302	\$ 80,735
OTHER FINANCING SOURCES (USES)						
Loan Proceeds	78,550	78,551	1	0	0	0
Excess of Receipts and Other Sources Over (Under) Disbursements and Other Uses	\$ (54,016)	\$ (24,007)	\$ 30,009	\$ (22,433)	\$ 58,302	\$ 80,735
BALANCE - Beginning of Year	54,016	170,358	116,342	57,433	58,090	657
BALANCE - End of Year	\$ 0	\$ 146,351	\$ 146,351	\$ 35,000	\$ 116,392	\$ 81,392

The accompanying notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Springfield Township is a general law township located in Kalkaska County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in its reporting entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The Township has the following fund types and account groups:

Governmental funds are used to account for the Township's general government activities. The Township uses the flow of economic resources measurement focus and the modified cash basis of accounting for these funds which is an other comprehensive basis of accounting (OCBOA). Under the modified cash basis of accounting, revenues are recognized when collected (i.e., when cash is received). Expenditures are recorded when cash is disbursed.

Governmental funds include the following fund types:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

Fiduciary funds account for assets held by the Township in a trustee capacity or as an agent on behalf of others.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

The Current Tax Collection Fund is an agency fund and is custodial in nature. It does not present results of operation or have a measurement focus. The agency fund also uses the modified cash basis of accounting. This fund is used to account for property tax collections which the Township makes and distributes for others in an agency capacity.

Account Groups. The General Fixed Asset Account Group is used to account for fixed assets of the Township. The General Long-Term Debt Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. Assets, Liabilities and Equity

1. Deposits and Investments

In accordance with Public Act 196 of 1999, the Township adopted an investment policy on October 6, 2000. The policy states that the Township treasurer may invest Township funds in certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank but only if the bank, savings and loan association, or credit union meets all criteria as a depository of public funds contained in state law.

In addition, the prior approval of the Township Board shall be required for the treasurer to invest in any other lawful investment instruments. The Township Board's standard of prudence shall be the "fiduciary" standard, which shall be applied in context of managing an overall portfolio. The Township Board may authorize the treasurer to invest in the following:

- (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- (c) Repurchase agreements consisting of instruments listed in subdivision (a).
- (d) Bankers' acceptances of United States banks.
- (e) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

- (f) Mutual funds registered under the Investment Company Act of 1940, Title 1 of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:
 - (i) The purchase of securities on a when-issued or delayed delivery basis.
 - (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
 - (iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- (g) Obligations described in subdivisions (a) through (f) if purchased through an Interlocal Agreement under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512
- (h) Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118
- (i) The investment pools organized under the Local Government Investment Pool Act, 1985 PA 121 MCL 129.141 to 129.150

2. Receivables and Payables

Under the modified cash basis of accounting, the only noncash asset recorded is a receivable for uncollected property taxes. This receivable is entirely offset by a deferred revenue liability account so that income is only recognized when cash is received.

3. Fixed Assets

Fixed assets used in governmental fund types (general fixed assets) are accounted for in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not included in the general fixed assets account group.

4. Fund Equity

Reservations of balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

5. Use of Estimates

This presentation of financial statements on the modified cash basis of accounting requires the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reported period. Actual results could differ from those estimates.

6. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budget is adopted on the modified cash basis in accordance with the requirements of Michigan Public Act 621 of 1978 "The Uniform Budgeting and Accounting Act". A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budget amounts presented are as originally adopted on March 25, 2003, or as amended by the Township Board from time to time throughout the year.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

The appropriated budget is prepared by fund and activity. The Township Board exercises budgetary control over expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

A total of \$139,177 of the Township's \$339,177 of total investments and deposits are in accounts which exceed the Federal Depository Insurance and are uncollateralized. The remaining \$200,000 are in separate accounts which are fully insured. At year-end, the carrying amount of the Township's deposits was \$336,210 and the bank balance was \$339,177.

The carrying amount of the Township's deposits and investments at year-end are shown below:

	GENERAL FUND	MUNICIPAL STREET FUND	FIRE FUND	PARKS AND RECREATION FUND	CURRENT TAX COLLECTION FUND
Forest Area Credit Union					
Fife Lake, Michigan					
Commercial Account	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,197
Money Market Account	9,638	0	0	0	59,270
Certificates of Deposit	59,502	0	0	0	0
Citizens Bank					
Manton, Michigan					
Commercial Account	18,815	58,061	53,616	4,715	0
Certificates of Deposit	58,396	0	0	0	0
	<u>\$ 146,351</u>	<u>\$ 58,061</u>	<u>\$ 53,616</u>	<u>\$ 4,715</u>	<u>\$ 73,467</u>

B. Fixed Assets

Activity in the general fixed assets account group for the Township for the year ended March 31, 2004, was as follows:

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/04
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 7,000	\$ 0	\$ 0	\$ 7,000
Land Improvements	46,618	7,617	0	54,235
Buildings	56,046	86,844	0	142,890
Machinery and Equipment	15,901	0	0	15,901
Office Furniture and Equipment	17,387	400	0	17,787
	<u>\$ 142,952</u>	<u>\$ 94,861</u>	<u>\$ 0</u>	<u>\$ 237,813</u>

C. Long-Term Debt

The following is a summary of debt transactions of the Township of Springfield for the year ended March 31, 2004:

Debt Payable at April 1, 2003	\$ 0
Debt Incurred	78,551
Debt Retired	<u>(9,265)</u>
Debt Payable at March 31, 2004	<u>\$ 69,286</u>

Long-term debt at March 31, 2004 is comprised of the following:

Building Contract Payable

\$78,551 payable to Forest Area Credit Union, due in monthly installments of \$1,885 through June 20, 2007, interest at 3.75%

The annual requirements to amortize the debt outstanding as of March 31, 2004, including interest of \$4,428 are as follows:

<u>YEAR ENDING MARCH 31,</u>	<u>AMOUNT</u>
2005	\$ 22,620
2006	22,620
2007	22,620
2008	<u>5,854</u>
	<u>\$ 73,714</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

IV. OTHER INFORMATION

A. Property Taxes

The Township levied 4.7483 mills in tax on a state taxable value of \$30,427,025 on the 2003 tax roll. The 4.7483 mill levy was for the following purposes:

Streets	1.9384
Ambulance Service	1.0000
Fire Protection	.9692
General Operations	.8407
	<u>4.7483</u>

The date of the levy was 12/1/02 at which time the taxes become an enforceable lien against the property. Taxes are due and payable to the township treasurer on or before February 28. After February 28, the property taxes are payable to the Kalkaska County Treasurer. Property taxes levied December 1 are recognized as income in the year following the year in which they are levied.

The Township has adopted the policy of retaining current tax collections for the General Fund and Municipal Street Fund in the Current Tax Collection Fund until after April 1 of each year. Monies are then paid over to the General Fund and Municipal Street Fund and recognized as property tax revenue.

The Township's General Fund and Municipal Street Fund portion of the 2003 tax roll is recognized as taxes receivable in the General Fund and Municipal Street Fund. The taxes receivable are also recorded as deferred revenue.

B. Current Tax Collection Fund Balance

The balance of \$73,467 in the Current Tax Collection Fund at March 31, 2004, is payable as follows:

<u>Springfield Township</u>	
Current Property Tax	
General Fund	\$ 19,874
Municipal Street Fund	45,832
Property Tax Administration Fees	7,498
Interest Earnings	263
	<u>\$ 73,467</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

C. Property Tax Administration Fee

The Township passed a resolution to charge a 1% administration fee on all ad valorem, taxes levied. The resolution is to continue in force and effect until revoked by the township board.

The Township has determined that authorized costs of tax collections will be repeatedly in excess of the revenues generated by the administration fee so that a restricted earnings account is not reflected in these statements.

D. Aid to Other Governments

The Township makes payments to other governmental units for various public safety and health and welfare services. Some of these payments are financed by extra voted millages and some are financed by Township general operations. For the 2003-2004 fiscal year, these payments were as follows:

Public Safety		
Fire Protection		
Grand Traverse County Fire Department	\$	21,715
Police Protection		
Kalkaska County Sheriff Department		10,344
Health and Welfare		
Hospital		
Kalkaska Memorial Health Center		281
Ambulance		
Fife Lake Area Emergency Rescue Authority		<u>28,740</u>
	\$	<u>61,080</u>

E. Interest Income and Expense

For the year ended March 31, 2004, interest income and expense was as follows:

	INTEREST	
	INCOME	EXPENSE
General Fund	\$ 1,360	\$ 2,046

Note - Interest income earned in the Current Tax Collection Fund is periodically transferred to the General Fund and is shown as General Fund interest income.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

F. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township participates in a pool of municipalities within the State of Michigan for self-insuring property and casualty, crime, general liability and errors and omissions insurance. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current year or prior three years.

The Township continued to carry insurance for other risks of loss, including workers compensation insurance and fidelity bonds.

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FUND

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash		
Commercial Account	\$ 18,815	\$ 33,760
Money Market Account	9,638	425
Certificates of Deposit	117,898	136,173
Taxes Receivable	25,580	24,398
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 171,931</u>	<u>\$ 194,756</u>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 25,580	\$ 24,398
<u>EQUITY</u>		
Balance		
Unreserved	<u>146,351</u>	<u>170,358</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 171,931</u>	<u>\$ 194,756</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

YEAR ENDED MARCH 31, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED MARCH 31, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>RECEIPTS</u>			
Taxes	\$ 38,310	\$ 33,235	\$ 30,951
Licenses and Permits	1,200	1,200	1,950
State Grants	92,000	95,595	99,627
Interest and Rents	3,200	1,360	4,577
Other Receipts	5,280	6,682	802
Total Receipts	<u>\$ 139,990</u>	<u>\$ 138,072</u>	<u>\$ 137,907</u>
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 17,300	\$ 16,703	\$ 15,926
General Government			
Supervisor	6,000	6,000	6,144
Election	1,500	1,212	6,831
Assessor	15,000	14,801	16,231
Budget Administrator	3,200	3,200	3,200
Clerk	20,000	18,762	18,782
Board of Review	4,500	4,075	3,822
Treasurer	20,500	18,049	13,042
Building and Grounds	93,000	92,788	15,482
Cemetery	5,000	4,089	3,967
Public Safety	11,000	14,318	12,316
Public Works	20,800	11,345	7,426
Health and Welfare	281	281	2,293
Recreation and Cultural	12,600	12,103	11,590
Other Functions	12,000	11,593	10,319
Debt Service	12,000	11,311	0
Contingency	17,875	0	0
Total Disbursements	<u>\$ 272,556</u>	<u>\$ 240,630</u>	<u>\$ 147,371</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

YEAR ENDED MARCH 31, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED MARCH 31, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Excess of Receipts Over (Under) Disbursements	\$ (132,566)	\$ (102,558)	\$ (9,464)
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	\$ 78,550	\$ 78,551	\$ 0
Operating Transfers Out	0	0	(5,000)
Total Other Financing Sources (Uses)	\$ 78,550	\$ 78,551	\$ (5,000)
Excess of Receipts and Other Sources Over (Under) Disbursements and Other Uses	\$ (54,016)	\$ (24,007)	\$ (14,464)
<u>BALANCE</u> - Beginning of Year	54,016	170,358	184,822
<u>BALANCE</u> - End of Year	\$ 0	\$ 146,351	\$ 170,358

STATEMENT 3

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH RECEIPTS
YEAR ENDED MARCH 31, 2004

TAXES

Current Property Tax - 2002 Tax Roll	\$ 19,915	
Delinquent Property Tax and Interest	4,575	
Property Tax Administration Fee	7,965	
Commercial Forest	10	
Swamp Tax	<u>770</u>	
Total Taxes		\$ 33,235

LICENSES AND PERMITS

Non-Business Licenses and Permits	1,200
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STATE GRANTS

State Revenue Sharing		
Sales and Use Tax	\$ 92,052	
Summer Tax Collection	<u>3,543</u>	
Total State Grants		95,595

INTEREST AND RENTS

Interest Earnings	1,360
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OTHER RECEIPTS

Refunds and Reimbursements	\$ 1,212	
Miscellaneous	<u>5,470</u>	
Total Other Receipts		<u>6,682</u>

TOTAL RECEIPTS	\$ 138,072
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OTHER FINANCING SOURCES

Loan Proceeds	<u>78,551</u>
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TOTAL RECEIPTS AND OTHER FINANCING SOURCES	<u>\$ 216,623</u>
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SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
YEAR ENDED MARCH 31, 2004

LEGISLATIVE

Township Board

Personal Services

Salaries and Wages	\$	9,422
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Supplies

Office Supplies		390
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Other Services and Charges

Professional Services		5,417
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Printing and Publishing		718
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Dues and Fees		756
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Total Legislative

	\$	16,703
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GENERAL GOVERNMENT

Supervisor

Personal Services

Salaries and Wages	\$	6,000
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Elections

Personal Services

Salaries and Wages	\$	650
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Supplies

Office Supplies		36
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Other Services and Charges

Printing and Publishing		526
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Assessor

Personal Services

Salaries and Wages	\$	3,455
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Supplies

Office Supplies		661
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Postage		555
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Other Services and Charges

Contracted Services		9,870
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Printing and Publishing		260
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Budget Department

Personal Services

Salaries and Wages		3,200
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Clerk

Personal Services

Salaries and Wages	\$	9,800
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SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
YEAR ENDED MARCH 31, 2004

Per Diem	2,111	
Deputy	1,433	
Health Insurance	4,764	
Supplies		
Office Supplies	349	
Other Services and Charges		
Contracted Services	305	18,762
Board of Review		
Personal Services		
Salaries and Wages	\$ 3,592	
Other Services and Charges		
Education and Training	170	
Printing and Publishing	240	
Miscellaneous	73	4,075
Treasurer		
Personal Services		
Salaries and Wages	\$ 9,800	
Deputy	4,200	
Supplies		
Office Supplies	502	
Postage	2,337	
Other Services and Charges		
Printing and Publishing	1,210	18,049
Building and Grounds		
Personal Services		
Salaries and Wages	\$ 1,200	
Supplies		
Operating Supplies	442	
Other Services and Charges		
Contracted Services	322	
Communication	1,513	
Public Utilities	2,000	
Repairs and Maintenance	577	
Snow Removal	90	
Capital Outlay	86,644	92,788
Cemetery		
Personal Services		
Salaries and Wages	\$ 3,432	

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
YEAR ENDED MARCH 31, 2004

State Unemployment	243		
Supplies			
Operating Supplies	64		
Other Services and Charges			
Miscellaneous	350	4,089	
Total General Government			162,976
<u>PUBLIC SAFETY</u>			
Police Protection			
Other Services and Charges			
Aid to Other Governments		\$ 10,344	
Fire Protection			
Personal Services			
Per Diem		3,974	
Total Public Safety			14,318
<u>PUBLIC WORKS</u>			
Highways, Streets and Bridges			
Personal Services			
Salaries	\$ 1,630		
Other Services and Charges			
Printing and Publishing	408	\$ 2,038	
Refuse Collection and Disposal			
Contracted Services		9,307	
Total Public Works			11,345
<u>HEALTH AND WELFARE</u>			
Hospital			
Other Services and Charges			
Aid to Other Governments			281
<u>RECREATION AND CULTURAL</u>			
Parks and Recreation			
Personal Services			
Salaries and Wages	\$ 1,300		
Per Diem	364		

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
YEAR ENDED MARCH 31, 2004

Supplies			
Office Supplies	3,543		
Other Services and Charges			
Repairs and Maintenance	288		
Transportation and Expense	470		
Public Utilities	517		
Contracted Services	2,770		
Capital Outlay	300	9,552	
Library			
Other Services and Charges			
Aid to Other Governments		1,600	
Other Recreation and Cultural			
Other Services and Charges			
Aid to Other Governments			
Historical Society	\$ 500		
Miscellaneous	451	951	
Total Recreation and Cultural			12,103
<u>OTHER FUNCTIONS</u>			
Insurance and Bonds		\$ 3,942	
Interest Expense		2,046	
Employee Benefits			
Medicare and Social Security		4,855	
Workers' Compensation		750	
Total Other Functions			11,593
<u>DEBT SERVICE</u>			
Principal Repayment		\$ 9,265	
Interest Charges		2,046	
Total Debt Service			11,311
TOTAL DISBURSEMENTS			<u>\$ 240,630</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

MARCH 31, 2004

	MUNICIPAL STREET	FIRE	PARKS AND RECREATION	AMBULANCE	TOTALS
<u>ASSETS</u>					
Cash					
Commercial Account	\$ 58,061	\$ 53,616	\$ 4,715	\$ 0	\$ 116,392
Taxes Receivable	59,072	6,618	0	6,828	72,518
TOTAL ASSETS	\$ 117,133	\$ 60,234	\$ 4,715	\$ 6,828	\$ 188,910
<u>LIABILITIES AND BALANCE</u>					
<u>LIABILITIES</u>					
Deferred Revenue	\$ 59,072	\$ 6,618	\$ 0	\$ 6,828	\$ 72,518
<u>BALANCE</u>					
Reserved for Street Improvements	\$ 58,061	\$ 0	\$ 0	\$ 0	\$ 58,061
Reserved for Fire Protection	0	53,616	0	0	53,616
Reserved for Parks and Recreation	0	0	4,715	0	4,715
Total Balance	\$ 58,061	\$ 53,616	\$ 4,715	\$ 0	\$ 116,392
TOTAL LIABILITIES AND BALANCE	\$ 117,133	\$ 60,234	\$ 4,715	\$ 6,828	\$ 188,910

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES

FOR THE YEAR ENDED MARCH 31, 2004

	MUNICIPAL STREET	FIRE	PARKS AND RECREATION	AMBULANCE	TOTALS
<u>RECEIPTS</u>					
Taxes	\$ 56,150	\$ 27,386	\$ 0	\$ 28,740	\$ 112,276
Other Receipts	0	0	5,310	0	5,310
Total Receipts	\$ 56,150	\$ 27,386	\$ 5,310	\$ 28,740	\$ 117,586
<u>DISBURSEMENTS</u>					
Public Safety	\$ 0	\$ 22,927	\$ 0	\$ 0	\$ 22,927
Recreation and Cultural	0	0	7,617	0	7,617
Health and Welfare	0	0	0	28,740	28,740
Total Disbursements	\$ 0	\$ 22,927	\$ 7,617	\$ 28,740	\$ 59,284
Excess of Receipts Over (Under) Disbursements	\$ 56,150	\$ 4,459	\$ (2,307)	\$ 0	\$ 58,302
<u>BALANCE - Beginning of Year</u>	1,911	49,157	7,022	0	58,090
<u>BALANCE - End of Year</u>	\$ 58,061	\$ 53,616	\$ 4,715	\$ 0	\$ 116,392

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

MUNICIPAL STREET FUND

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash		
Commercial Account	\$ 58,061	\$ 1,911
Taxes Receivable	<u>59,072</u>	<u>56,269</u>
 TOTAL ASSETS	 <u>\$ 117,133</u>	 <u>\$ 58,180</u>
<u>LIABILITIES AND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 59,072	\$ 56,269
 <u>BALANCE</u>		
Reserved for Street Improvements	<u>58,061</u>	<u>1,911</u>
 TOTAL LIABILITIES AND BALANCE	 <u>\$ 117,133</u>	 <u>\$ 58,180</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

MUNICIPAL STREET FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

YEAR ENDED MARCH 31, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED MARCH 31, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>RECEIPTS</u>			
Taxes			
Current Property Tax - 2002 Tax Roll	\$ 55,000	\$ 45,929	\$ 42,884
Delinquent Property Tax	0	10,221	9,027
Total Receipts	\$ 55,000	\$ 56,150	\$ 51,911
<u>DISBURSEMENTS</u>			
Public Works			
Highways, Streets and Bridges			
Other Services and Charges			
Repairs and Maintenance	56,911	0	50,000
Excess of Receipts Over (Under) Disbursements	\$ (1,911)	\$ 56,150	\$ 1,911
<u>BALANCE</u> - Beginning of Year	1,911	1,911	0
<u>BALANCE</u> - End of Year	\$ 0	\$ 58,061	\$ 1,911

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

FIRE FUND

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31,

	<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Cash			
Commercial Account			
Taxes Receivable		\$ 53,616	\$ 49,157
		6,618	5,170
TOTAL ASSETS		<u>\$ 60,234</u>	<u>\$ 54,327</u>
	<u>LIABILITIES AND BALANCE</u>		
<u>LIABILITIES</u>			
Deferred Revenue		\$ 6,618	\$ 5,170
<u>BALANCE</u>			
Reserved for Fire Protection		<u>53,616</u>	<u>49,157</u>
TOTAL LIABILITIES AND BALANCE		<u>\$ 60,234</u>	<u>\$ 54,327</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

FIRE FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

YEAR ENDED MARCH 31, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED MARCH 31, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>RECEIPTS</u>			
Taxes			
Current Property Taxes	\$ 22,000	\$ 22,920	\$ 22,960
Delinquent Property Taxes	4,500	4,466	4,513
Total Receipts	\$ 26,500	\$ 27,386	\$ 27,473
<u>DISBURSEMENTS</u>			
Public Safety			
Aid to Other Government			
Grand Traverse County Fire Department			
Rural Division	\$ 35,000	\$ 21,715	\$ 19,381
Fife Lake Fire Department	0	0	5,000
Other Services and Charges			
Election Expense	5,000	1,212	0
Total Disbursements	\$ 40,000	\$ 22,927	\$ 24,381
Excess of Receipts Over (Under) Disbursements	\$ (13,500)	\$ 4,459	\$ 3,092
<u>BALANCE - Beginning of Year</u>	48,500	49,157	46,065
<u>BALANCE - End of Year</u>	\$ 35,000	\$ 53,616	\$ 49,157

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

PARKS AND RECREATION FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

MARCH 31,

	<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Cash			
Commercial Accounts		\$ 4,715	\$ 7,022
		<u>4,715</u>	<u>7,022</u>
	<u>LIABILITIES AND BALANCE</u>		
<u>Liabilities</u>		\$ 0	\$ 0
<u>BALANCE</u>			
Reserved for Parks and Recreation		<u>4,715</u>	<u>7,022</u>
TOTAL LIABILITIES AND BALANCE		<u>\$ 4,715</u>	<u>\$ 7,022</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

PARKS AND RECREATION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

YEAR ENDED MARCH 31, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED MARCH 31, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>RECEIPTS</u>			
State Grants			
Michigan ORV Grant	\$ 0	\$ 0	\$ 15,330
Other Receipts			
Donations from Private Sources	4,650	5,310	14,361
Total Receipts	<u>\$ 4,650</u>	<u>\$ 5,310</u>	<u>\$ 29,691</u>
<u>DISBURSEMENTS</u>			
Recreation and Cultural			
Parks and Recreation			
Capital Outlay			
Deck, Walkway, Pavilion and Recreation Area	\$ 11,672	\$ 7,617	\$ 27,720
ORV Damage	0	0	14,423
Total Disbursements	<u>\$ 11,672</u>	<u>\$ 7,617</u>	<u>\$ 42,143</u>
Excess of Receipts Over (Under) Disbursements	\$ (7,022)	\$ (2,307)	\$ (12,452)
<u>OTHER FINANCING SOURCES</u>			
Operating Transfers In			
General Fund	0	0	5,000
Excess of Receipts and Other Sources Over (Under) Disbursements	\$ (7,022)	\$ (2,307)	\$ (7,452)
<u>BALANCE - Beginning of Year</u>	<u>7,022</u>	<u>7,022</u>	<u>14,474</u>
<u>BALANCE - End of Year</u>	<u>\$ 0</u>	<u>\$ 4,715</u>	<u>\$ 7,022</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

AMBULANCE FUND

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31,

	<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Taxes Receivable		\$ 6,828	\$ 5,170
		<u>0</u>	<u>0</u>
	<u>LIABILITIES AND BALANCE</u>		
<u>LIABILITIES</u>			
Deferred Revenue		\$ 6,828	\$ 5,170
<u>BALANCE</u>			
Reserved for Ambulance Protection		<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND BALANCE		<u>\$ 6,828</u>	<u>\$ 5,170</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

AMBULANCE FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED MARCH 31, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>RECEIPTS</u>			
Taxes			
Current Property Taxes	\$ 28,000	\$ 23,639	\$ 22,960
Delinquent Property Taxes	0	5,101	2,256
Total Receipts	\$ 28,000	\$ 28,740	\$ 25,216
<u>DISBURSEMENTS</u>			
Health and Welfare			
Ambulance			
Other Services and Charges			
Aid to Other Government			
Fife Lake Area Emergency			
Rescue Authority	28,000	28,740	25,216
Excess of Receipts Over (Under) Disbursements	\$ 0	\$ 0	\$ 0
<u>BALANCE - Beginning of Year</u>	0	0	0
<u>BALANCE - End of Year</u>	\$ 0	\$ 0	\$ 0

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash on Deposit	
Commercial Account	\$ 14,197
Money Market Account	59,270
	<hr/>
TOTAL ASSETS	\$ 73,467
	<hr/>

EQUITY

Balance	
Unreserved (See Note IV.B)	\$ 73,467
	<hr/>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
YEAR ENDED MARCH 31, 2004

RECEIPTS

Current Tax Collections	\$ 703,760	
Property Tax Administration Fee	6,943	
Interest Earnings	685	
Overcollections from Taxpayers	<u>4,124</u>	
Total Receipts		\$ 715,512

DISBURSEMENTS

Payments to County Treasurer		
Current Tax		
County	\$ 152,852	
State Education Tax	134,070	
Late Payment Penalty	<u>292</u>	\$ 287,214
Payments to Kalkaska Public Transit		
Current Tax		5,824
Payments to Kalkaska Memorial Hospital		
Current Tax		40,217
Payments to Township Treasurer		
Current Tax		
2002 Tax Roll		
Operating	\$ 19,915	
Streets	45,929	
2003 Tax Roll		
Fire	22,920	
Ambulance	23,639	
Property Tax Administration Fee	<u>6,542</u>	118,945
Payments to School Treasurer		
Current Tax		
Forest Area Community Schools	\$ 176,191	
Kalkaska Public Schools	<u>11,677</u>	187,868

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
YEAR ENDED MARCH 31, 2004

Payments to Intermediate School Treasurer		
Traverse Bay Area		
Current Tax	70,664	
Refunds to Taxpayers for Overcollections	4,696	
Bank Charges	<u>58</u>	<u>715,486</u>
Excess of Receipts Over (Under) Disbursements		\$ 26
<u>BALANCE</u> - Beginning of Year		<u>73,441</u>
<u>BALANCE</u> - End of Year		<u>\$ 73,467</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
YEAR ENDED MARCH 31, 2004

	BALANCE 4/1/2003	ADDITIONS	DELETIONS	BALANCE 3/31/2004
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 7,000	\$ 0	\$ 0	\$ 7,000
Land Improvements	46,618	7,617	0	54,235
Buildings	56,046	86,844	0	142,890
Machinery and Equipment	15,901	0	0	15,901
Office Furniture and Equipment	17,387	400	0	17,787
	<u>\$ 142,952</u>	<u>\$ 94,861</u>	<u>\$ 0</u>	<u>\$ 237,813</u>
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>	 <u>\$ 142,952</u>	 <u>\$ 94,861</u>	 <u>\$ 0</u>	 <u>\$ 237,813</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

GENERAL LONG TERM DEBT GROUP OF ACCOUNTS

STATEMENT OF LONG-TERM DEBT
YEAR ENDED MARCH 31, 2004

AMOUNT TO BE PROVIDED FOR
FOR PAYMENT OF LONG-TERM DEBT

Amount to be Provided from General Fund Receipts

\$ 69,286

LONG-TERM DEBT PAYABLE

Building Contract Payable

\$ 69,286

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

STATEMENT OF 2003 WINTER TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County			
Operating	\$	196,739	
Kalkaska Public Transit		7,496	
Kalkaska Memorial Hospital		51,732	
Fife Lake Sewer Authority		179	
Township			
Operating		25,580	
Streets		58,992	
Fire		29,498	
Ambulance		30,427	
Schools			
Forest Area Community Schools		212,156	
Intermediate School			
Traverse Bay Area		<u>85,347</u>	\$ 698,146

TAXES COLLECTED

County			
Operating	\$	152,852	
Kalkaska Public Transit		5,824	
Kalkaska Memorial Hospital		40,217	
Fife Lake Sewer Authority		0	
Township			
Operating		19,874	
Streets		45,832	
Fire		22,920	
Ambulance		23,639	
Schools			
Forest Area Community Schools		176,191	
Intermediate School			
Traverse Bay Area		<u>68,465</u>	<u>555,814</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

STATEMENT OF 2003 WINTER TAX ROLL
MARCH 31, 2004

TAXES RETURNED DELINQUENT

County			
Operating	\$	43,887	
Kalkaska Public Transit		1,672	
Kalkaska Memorial Hospital		11,515	
Fife Lake Sewer Authority		179	
Township			
Operating		5,706	
Streets		13,160	
Fire		6,578	
Ambulance		6,788	
Schools			
Forest Area Community Schools		35,965	
Intermediate School			
Traverse Bay Area		<u>16,882</u>	<u>\$ 142,332</u>

SPRINGFIELD TOWNSHIP, KALKASKA COUNTY
FIFE LAKE, MICHIGAN

STATEMENT OF 2003 SUMMER TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County			
State Education Tax	\$	152,072	
Schools			
Kalkaska Public Schools		13,309	
Intermediate School			
Traverse Bay Area		<u>2,445</u>	\$ 167,826

TAXES COLLECTED

County			
State Education Tax	\$	134,070	
Schools			
Kalkaska Public Schools		11,677	
Intermediate School			
Traverse Bay Area		<u>2,199</u>	<u>147,946</u>

TAXES RETURNED DELINQUENT

County			
State Education Tax	\$	18,002	
Schools			
Kalkaska Public Schools		1,632	
Intermediate School			
Traverse Bay Area		<u>246</u>	<u>\$ 19,880</u>

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MICHAEL D. COOL, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

June 16, 2004

LETTER OF COMMENTS AND RECOMMENDATIONS

To the Township Board
Springfield Township
Kalkaska County
Fife Lake, Michigan

As a result of our audit of the general-purpose financial statements of Springfield Township for the year ended March 31, 2004, we would like to take this opportunity to comment on the following items relative to the management and accounting procedures of the Township.

GASB 34

The Government Accounting Standards Board has issued a new pronouncement that will dramatically change the way governmental entities report their financial information. For Springfield Township, GASB 34 will become effective for the year ending March 31, 2005.

Some of the changes required by GASB 34 are as follows:

- a) Management's discussion and analysis will be the first thing in a financial report. This will be the administration's narrative overview of the information contained in the financial statements.
- b) The budgetary comparison information must report the original adopted budget and the final amended budget.
- c) Capital assets and long-term liabilities will be required to be reported in the balance sheet. The depreciation on the capital assets will then be reported as an expense in the statement of revenues and expenses. With this change, the financial statements of a government entity will look similar to a for-profit business financial statements.

We are available to advise you and offer assistance on how to proceed with steps needed to meet GASB 34 requirements.

Budgeting

Total cash disbursements in the Ambulance Fund exceeded the budget. Budgeted expenditures should always be amended to cover any excess over budget.

Tax Collection Fund Balance

As of March 31, 2004, a balance consisting of current tax collections, property tax administration fees and interest earnings remained in the Current Tax Collection Fund. To be in compliance with Michigan Committee on Governmental Accounting and Auditing Statement No. 3, we recommend that the Township consider transferring any balance remaining in the Current Tax Collection Fund to the General Fund prior to the end of the fiscal year.

General Recordkeeping

The accounting records for the year ended March 31, 2004, were found to be in good order and in compliance with the State's uniform accounting system. We compliment the clerk and treasurer for a job well done.

Reportable Condition in Internal Controls

In planning and performing our audit of the general-purpose financial statements of Springfield Township for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements.

Certain matters considered to be reportable conditions in internal control were noted. We have included a separate letter (letter of reportable conditions) which addresses those items noted.

We would like to thank the Board for its continued confidence in our firm and to thank the Township clerk and treasurer for their cooperation.

If you have any questions relative to the above comments and recommendations or other areas of your annual accounting, please feel free to call on us.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

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CERTIFIED PUBLIC ACCOUNTANTS

June 16, 2004

LETTER OF REPORTABLE CONDITIONS

To the Township Board
Springfield Township
Kalkaska County
Fife Lake, Michigan

In planning and performing our audit of the general-purpose financial statements of Springfield Township, Kalkaska County, Fife Lake, Michigan for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

The relatively small number of people involved in the accounting functions of the Township and the design of the accounting system as developed by the state make it difficult to adequately segregate duties. Segregation of accounting duties is a fundamental method of strengthening internal control. However, in deciding what internal control procedures should be implemented, the Board must consider the costs of implementing them and weigh those costs against the benefits to be derived from their implementation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the condition described above is a material weakness.

This report is intended solely for the information and use of the Board and others within the organization. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.